



BOARD OF DIRECTORS:

Marius St. Rose – Chairman
Robert Norstrom – Director
Vern Gill – Director

Thecla Deterville – Director
George Lewis – Director
James Wadham – Director

Nestor Alfred – Director
Estherlita Cumberbatch –
Corporate Secretary

PRINCIPAL OFFICERS:

Ryan Devaux, Chartered Accountant – Chief Executive Officer
David Sookwa – Manager, Operations
Gwyneth Taitt – Legal & Product Development Manager



Ryan Devaux
Chartered Accountant-
Chief Executive Officer

David Sookwa
AICB Bachelor of Commerce
& Financial Services
Manager, Operations

Gwyneth Taitt
ACIS, LLB
Legal & Product
Development Manager

2010 has been another successful year for BOSLIL. The results demonstrate the importance of strategic planning and effective execution. The foundation continues to be laid for a more diversified business model that will position BOSLIL well in the future. This progress continued despite another tough economic year globally.

St. Lucia was successful in negotiating and signing 17 Tax Information Exchange Agreements (TIEAs) during the year. This enabled the jurisdiction to be moved from the "Grey List" to the "White List" as defined by the OECD. The jurisdiction continues to show its commitment to remaining compliant with international standards. The next rounds of peer evaluations for St. Lucia are scheduled for 2012 and 2013 respectively.

Financial Highlights

Total assets at December 31, 2010 of US \$273.4 million (EC \$738.2 million) increased by US \$151.8 million (EC \$409.9 million) relative to December 31, 2009. Customer deposits increased from US \$114.6 million (EC \$309.2 million) to US \$266.1 million (EC \$718.5 million). This significant growth in assets is representative of the opportunities that exist for building capacity to assist with the banking component of structured finance and/or corporate finance related activity. While the deposit levels tend to fluctuate, the larger deposits represent good earning potential while they remain. Worthy of mention is that clients have the confidence in BOSLIL to place deposits of considerable size. Adjusting for one large deposit received in December 2010, the core assets of the bank increased to approximately US \$153 million (EC \$413 million) by year end.

Net income for the year ended December 31, 2010 was US \$555 thousand (EC \$1.50 million) as compared to US \$379 thousand (EC \$1.02 million) for the year ended December 31, 2009. Operating expenses decreased from US \$2.8 million (EC \$7.6 million) in 2009 to US \$2.6 million (EC \$7.1 million) in 2010 and foreign exchange risks managing 17 currencies are hedged with minimal net exposures. Profitability remained in line with the very conservative risk profile adopted for the investment portfolio and the fact that global interest rates remain severely depressed.

In keeping with the conservative investment policies of the Bank and its commitment to protecting clients' deposits, BOSLIL maintained a very conservative balance sheet throughout the year, with 79.0% (2009 – 46.3%) of total assets consisting of cash and cash equivalents as at the year end. The investment diversification strategy adopted at the end of fiscal 2008 of investing in high quality bond portfolios continued to yield positive results during 2010.

The South American market represents the area of greatest growth and opportunity for BOSLIL. Additional personnel were hired to service Uruguay and Argentina markets following a decision to no longer have a dedicated resource in Europe. The BOSLIL brand has become well known in Uruguay among the intermediary market and is recognized as a provider of exceptional service. Significant progress has been made in the 20 months since establishing a presence there. In 2010, there was a 144% increase in the number of new accounts (all markets) processed as compared to 2009.

Business
Development &
Product
Development

BOSLIL ended the year with the first international mutual fund registered and the capacity to start mutual fund business. A registered agent license was also granted in early January 2011 which now enables BOSLIL to provide international business companies services.

Significant focus has been on operational efficiencies to cope with the expanding volumes being processed by the bank. Risk management remains of core importance and is under constant review and improvement. Relationships with correspondent banks and investment managers remain healthy and we continue to add new relationships for diversification purposes and to ensure that yield enhancement strategies can be measured against peer performance.

Operations

Bank of Saint Lucia International Limited

Financial Statement Highlights

at December 31, 2010

	2010 US \$000	2009 US \$000
Assets		
Investments	273,098	117,988
Other	348	3,630
Total Assets	273,446	121,618
Liabilities and Equity		
Customer deposits	266,055	114,588
Other liabilities	433	145
Equity	6,958	6,885
Total Liabilities and Equity	273,446	121,618
Income & Expenses		
Net Operating Income	3,176	3,188
Total Expenses	2,621	2,809
Net income	555	379